

# UAB Neurosurgery

Using the NERVES Socio-Economic Survey to Revamp Faculty  
Compensation

# Executive Summary

Using the NERVES Survey, the Dept. of Neurosurgery at UAB revamped its MD comp plans for

- adult MDs
- neurointerventional radiologist
- neurologist

## Considerations

|                                                                        |                                           |                                     |
|------------------------------------------------------------------------|-------------------------------------------|-------------------------------------|
| Requirements of UAB for new comp plans                                 | Issues related to academic data & rank    | Approach and goals of the new plan  |
| Extrapolation of data into a chart by 5 %tile increments & added ranks | Fixed Pay percentage and baseline metrics | Variable pay percentage and factors |
| Additions to TTP                                                       | Chair Pool                                | Surgeon-scientists pay              |

## Objectives

At the conclusion, participants should be better prepared to address *decision points* they may face as they develop a faculty compensation plan using NERVES survey data

# UAB THE UNIVERSITY OF ALABAMA AT BIRMINGHAM

- Public institution
- Located in Birmingham, Alabama (1.2M people)
- One of the largest Academic Medical Centers in the United States.
- Alabama's largest single employer with 26,000+ employees and an annual economic impact exceeding \$7.15B.
- Forbes 2021: America's Best Large Employer
- Named four straight years as a Diversity Champion by *Insight Into Diversity Magazine*
- In top 10% of universities globally for research and reputation per *U.S. News*



# UAB Department Characteristics

- Celebrating 10 years as a department
- 35% rise in case volumes over those 10 years
- 5,500 cases annually the past 2 fiscal years
- Nationally esteemed faculty
- High caliber training program
- Generated a total UAB Hospital contribution margin of nearly \$290 million



- ~ 30 faculty & 21 residents
- ~ 22 clinical faculty
  - 4 pediatric nsgy
  - 1 pediatric psychologist
  - 10 adult nsgy
  - 3 adult surgeon-scientists 50/50
  - 1 neurointerventional radiologist
  - 1 neurologist (retired neurosurgeon)
  - 1-2 fellows

# Annual Survey

- Spring distribution
- Member/Non-Member participants
- 200+ pages
- NERVES survey committee
- KSM CPAs & Advisors

# NERVES Socio-Economic Survey

**2023 Report**  
Based on 2022 Data



# Plans Must Comply with these 4 Principles

## Principle One

Departmental compensation plans will be **transparent, simple to understand**, and relevant to their participating faculty members.

## Principle Two

Departmental compensation plans will align faculty clinical compensation with individual, department, and organizational objectives, priorities, and expectations across all mission categories through a combination of **fixed and variable** components.

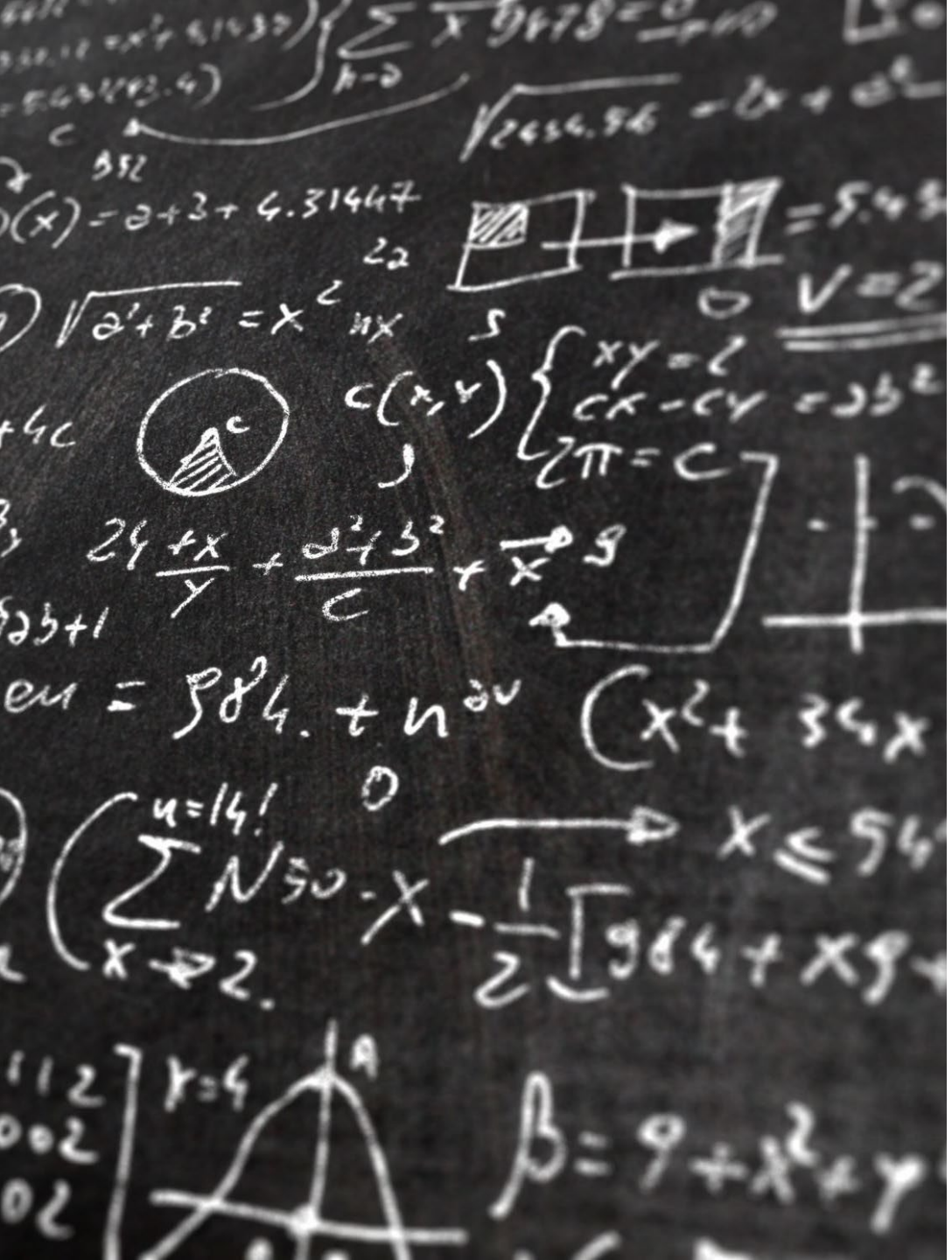
## Principle Three

Departmental compensation plans will use a consistent definition of **“market”** informed by the most appropriate comparator information that has sufficient analytical rigor and applicability to the given specialties.

## Principle Four

Departmental compensation plans will align sources and uses of funds with departmental and UAB Medicine objectives and priorities and adhere to a consistent UAHSF framework of fixed and variable compensation.





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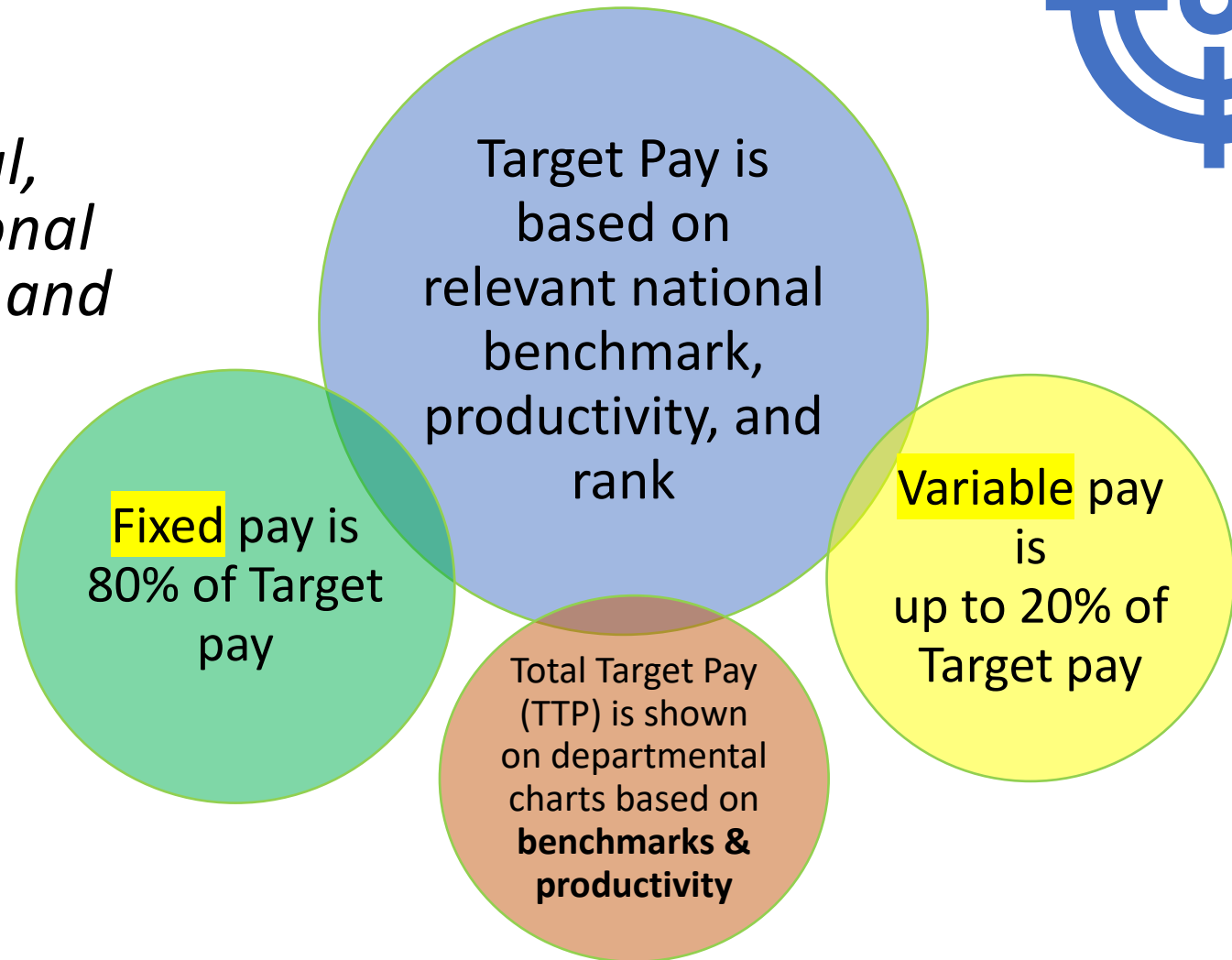
# Principle 1

- *transparent*
- *simple to understand*
- *relevant*

# Principle 2 – Fixed and Variable

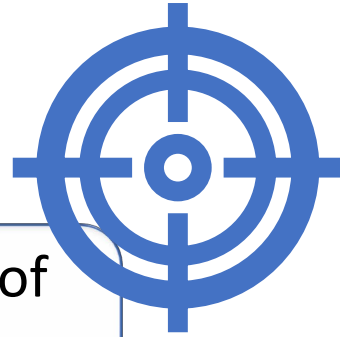


*Align faculty clinical compensation with individual, department, and organizational objectives etc. through fixed and variable components*





# Principle 3 - *informed definition of market*



We chose the most **relevant salary & wRVU benchmarks** to retain our high-caliber faculty



- (pay & wRVUs) for the adult subspecialties of spine, vascular/endovascular, neurological (general) are blended with a 3 yr average used

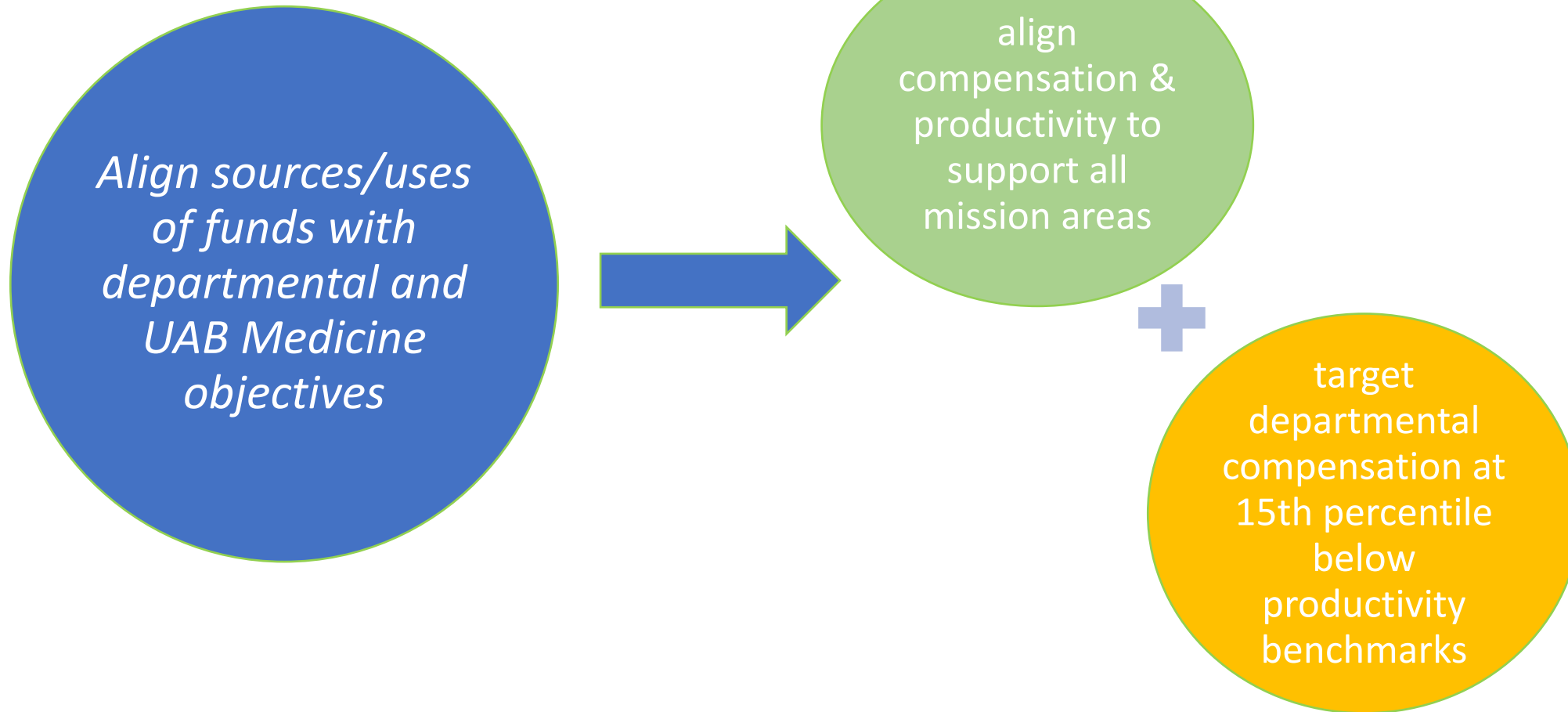


- (pay & wRVUs) for interventional radiology, 3 yr avg used



- AAMC pay and Vizient benchmark wRVUs for neurology, 3 yr avg used

# Principle 4 - comp at 15th percentile below productivity benchmarks (creates a Dept Overhead)



# Revision Process: Departmental Comp Comm.

## Creation of the Departmental Comp Committee

- Committee appointed to include diversity of rank, subspecialty, gender, admin role, etc. to ensure diversity of ideas.
- Members: 6 faculty, Chair, EA, FO (admin)

## Develop the Proposed Plan

- Committee met +20 times over 8 mos. to understand current plan & how it could be revised to meet the requirements of the 4 Principles, while **limiting major changes**

## Model the Proposed Plan

- The DCC created various models based on ideas and input from the committee to ensure that major pay changes were limited, & the plan was **financially stable**

# Old Comp Plan



## AAMC - Salary Vizient -wRVUs

|                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Base Salary for Calendar Year 2023</b>                                                                                                                                           |
| <b>Associate Professor</b>                                                                                                                                                          |
| <b>FY22 wRVUs</b>                                                                                                                                                                   |
| <b>Base Salary on 10/1/2022</b>                                                                                                                                                     |
| <b>New Base Salary on 1/1/2023</b>                                                                                                                                                  |
| <b>Rule 1: Clinical Productivity: Calculation</b>                                                                                                                                   |
| <i>a) wRVUs &gt; Vizient 75th % by 25% (or 17,686), set base @ AAMC 50th % X 105%</i>                                                                                               |
| <i>b) wRVUs &gt; Vizient 75th % but &lt; 17,686, set base @ AAMC 50th %</i>                                                                                                         |
| <i>c) wRVUs between Vizient 50th % and 75th %, set base @ AAMC 50th % X 80%</i>                                                                                                     |
| <i>d) wRVUs between Vizient 25th % and 50th %, set base @ AAMC 25th %</i>                                                                                                           |
| <i>e) wRVUs &lt; Vizient 25th %, set base @ AAMC 25th % X 80%</i>                                                                                                                   |
| <b>Rule 2: Apply base-limit constraints to base salary starting estimate</b>                                                                                                        |
| <i>a) If above Rule 1 produces a decrease in current base, the decrease is limited to 10% decrease in the following year</i>                                                        |
| <i>b) If above Rule 1 produces an increase in current base, the increase is limited to 10% increase in the following year</i>                                                       |
| <b>Rule 3: Additional potential stipends (prorated if not a full fiscal year)</b>                                                                                                   |
| <i>a) Medical Directors (Hospital, Ambulatory)</i>                                                                                                                                  |
| <i>i) Ambulatory Medical Director, \$25k</i>                                                                                                                                        |
| <i>ii) NICU/HVC Medical Director, \$50k</i>                                                                                                                                         |
| <i>b) Residency Program Director, \$50k (prorated if not a full fiscal year)</i>                                                                                                    |
| <i>c) Rank Change increase</i>                                                                                                                                                      |
| <i>i) Promotion to Associate Professor effective 10/1, \$10k</i>                                                                                                                    |
| <i>ii) Promotion to Professor, effective 10/1, \$15k</i>                                                                                                                            |
| <i>d) Etc.</i>                                                                                                                                                                      |
| <b>Rule 4: Chair Discretion</b>                                                                                                                                                     |
| <i>Allow for special circumstances/consideration: first and foremost - academic productivity, special contributions to Dept., citizenship, special circumstances/considerations</i> |

# New Plan !!!!

TTP (total target pay)



PLUS ADDITIONAL PAY, above and beyond TTP

## Chair's Discretion Pool (budgeted in advance)

Weekend  
& Holiday  
Rounding

Director  
Stipend

In State  
Locums  
Pay (2/3)

VA Pay  
(2/3)

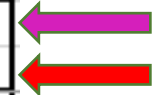
Secondary  
Appointment  
Pay

# New Comp Plan TTP Chart – Adult Neurosurgeons SAMPLE



| FY24 Target Comp = Fixed + Variable: 15th % differential between Productivity & Comp |        |            |                     |            |                     |            |            |            |  |
|--------------------------------------------------------------------------------------|--------|------------|---------------------|------------|---------------------|------------|------------|------------|--|
| wRVU %tile                                                                           | wRVUs  | Comp %tile | Assistant Professor |            | Associate Professor |            | Professor  |            |  |
|                                                                                      |        |            | ≤ 3 years           | > 3 years  | ≤ 3 years           | > 3 years  | ≤ 3 years  | > 3 years  |  |
|                                                                                      |        |            | 82.0%               | 83.0%      | 99.0%               | 100.0%     | 102.0%     | 103.0%     |  |
| 5                                                                                    | 4,292  |            |                     |            |                     |            |            |            |  |
| 10                                                                                   | 4,895  |            |                     |            |                     |            |            |            |  |
| 15                                                                                   | 5,498  |            |                     |            |                     |            |            |            |  |
| 20                                                                                   | 6,102  | 5          | \$ 440,017          | \$ 445,383 | \$ 531,240          | \$ 536,606 | \$ 547,338 | \$ 552,705 |  |
| 25                                                                                   | 6,705  | 10         | 465,690             | 471,369    | 562,236             | 567,915    | 579,273    | 584,952    |  |
| 30                                                                                   | 7,308  | 15         | 491,363             | 497,355    | 593,231             | 599,223    | 611,208    | 617,200    |  |
| 35                                                                                   | 7,911  | 20         | 517,036             | 523,341    | 624,227             | 630,532    | 643,143    | 649,448    |  |
| 40                                                                                   | 8,514  | 25         | 542,709             | 549,328    | 655,222             | 661,840    | 675,077    | 681,696    |  |
| 45                                                                                   | 9,118  | 30         | 568,382             | 575,314    | 686,217             | 693,149    | 707,012    | 713,943    |  |
| 50                                                                                   | 9,721  | 35         | 594,055             | 601,300    | 717,213             | 724,458    | 738,947    | 746,191    |  |
| 55                                                                                   | 10,391 | 40         | 619,728             | 627,286    | 748,208             | 755,766    | 770,881    | 778,439    |  |
| 60                                                                                   | 11,060 | 45         | 645,401             | 653,272    | 779,204             | 787,075    | 802,816    | 810,687    |  |
| 65                                                                                   | 11,730 | 50         | 671,074             | 679,258    | 810,199             | 818,383    | 834,751    | 842,935    |  |
| 70                                                                                   | 12,399 | 55         | 696,258             | 704,749    | 840,605             | 849,096    | 866,077    | 874,568    |  |
| 75                                                                                   | 13,069 | 60         | 721,443             | 730,241    | 871,010             | 879,808    | 897,404    | 906,202    |  |
| 80                                                                                   | 14,312 | 65         | 746,627             | 755,732    | 901,415             | 910,520    | 928,731    | 937,836    |  |
| 85                                                                                   | 15,554 | 70         | 771,811             | 781,223    | 931,820             | 941,233    | 960,057    | 969,470    |  |
| 90                                                                                   | 16,796 | 75         | 796,995             | 806,715    | 962,226             | 971,945    | 991,384    | 1,001,104  |  |
| 95                                                                                   | 18,039 | 80         | 853,318             | 863,725    | 1,030,226           | 1,040,632  | 1,061,445  | 1,071,851  |  |
| 100                                                                                  | 19,281 | 85         | 909,642             | 920,735    | 1,098,226           | 1,109,319  | 1,131,505  | 1,142,599  |  |
| 105                                                                                  | 20,524 | 90         | 965,965             | 977,745    | 1,166,226           | 1,178,006  | 1,201,566  | 1,213,346  |  |

- 1. Green = wRVU percentile (NERVES)
- 2. Blue = comp percentile (NERVES)
- 3. Purple = Rank & years in rank
- 4. Red = rank multiplier
- 5. Black = 15%tile differential (req'd)



65%tile wRVU production for 50%tile comp (Principle 4)



## Surgeon-Scientists

- Surgeon-scientists will follow the proposed comp plan & 80% fixed/20% variable pay; however their Target Pay amount will be **bifurcated** into Rate A and Rate B based on their % FTE in clinical and research.
- Target Pay Calculation for a Surgeon-Scientist
  - Rate A: 0.X FTE clinical: Use the appropriate department benchmark chart, then multiply the wRVUs and the annual target pay by the % FTE that is clinical.
  - Rate B: 0.X FTE research: Use the appropriate department benchmark chart, then multiply the annual target pay by the % FTE that is research. Then reduce that further by  $\frac{1}{2}$ .
  - $TTP = A + B$



## Surgeon-Scientist Calculation - Example



### Assumptions:

- ✓ 0.5 FTE clinical and 0.5 FTE research
- ✓ Associate Prof. 4 yrs. in rank

- wRVU productivity is projected at 5,865. This level of productivity is .50 of 65th percentile, so on the TTP chart, we use 65th percentile (as if the MD was a clinical 1.0 FTE producing 11,730 wRVUs).
- Using the TTP Chart for neurosurgeons, annual TTP is \$818,383.
- **Rate A (Clinical Rate):** The rate of \$818,383 applies to the clinical work. Since only .50 FTE is actually clinical work, multiply the clinical TTP rate (\$818,383) by clinical work FTE% (0.50 FTE) = **\$409,191** for the 0.50 FTE clinical work.
- **Rate B (Research Rate):** Next, reduce the TTP clinical rate by  $\frac{1}{2}$  to get the research rate which applies to the research work. Since the TTP clinical rate is \$818,383, reduce by  $\frac{1}{2}$  to find the research rate.  $\$818,383 * \frac{1}{2} = \$409,191$  research rate. Since only 0.50 FTE is research work, multiply the research TTP rate (\$409,191) by research FTE% (0.50 FTE) = **\$204,595** for the 0.50 FTE research work.
- **Add A + B = TTP:** Add the clinical pay of \$409,191 to the research pay of \$204,595 to get the annual TTP pay for this surgeon-scientist of **\$613,786**.
- Pay 80% Fixed & up to 20% variable. If projected productivity isn't met at mo. 6, reduce pay to the new TTP pay that is in line with productivity %



# TTP Mid-Year Adjustment



- Month 6: compare each MD's actual wRVUs to target used to set TTP
  - **Decrease.** If actual > 10 percentiles below target, decrease the MD's TTP for the remainder of the FY. Use the appropriate TTP Chart to determine the lower TTP that aligns with actual wRVU productivity FYTD. For Surgeon-Scientists, this will require a recalculation of both the clinical and research portions to find the adjusted TTP.
- **FMLA.** Before making the above adjustment, if there has been an approved FMLA leave, assign "FMLA wRVUs" to the FMLA time missed to approximate the continuation of the MD's typical wRVU productivity during the FMLA time off.
  - Example: If MD takes FMLA for one month, and annual productivity for the remaining 11 months was 11,000 wRVUs, after adding FMLA wRVUs, the MD would be treated as if productivity had been 12,000 wRVUs.
- **Retirement/Ramp Down.** In the case of an MD's retirement ramp down or other ramp-down, the Mid-Year adjustment may be performed Quarterly to keep pace with the actual ramp down, if necessary, in the Chair's sole discretion.



## Find Benchmarks for Pay & wRVUs

- ✓ Adult Providers: use NERVES academic salary & wRVUs, based on 3 subspecialties (spine, endov/vasc, general nsgy) are **blended** with a **3 yr average** used
  - ✓ Surgeon-scientists have a special calculation, reducing their scientific FTE portion of their salary
- ✓ Radiologists use AAARAD pay and wRVUs, 3 yr average used
- ✓ Neurologists use AAMC pay & Vizient wRVUs, 3 yr average used

# Determine Target Pay & Budget Pool + Additional Pay



- Follow the calculation instructions for Pay and wRVU benchmarks to **make the TTP Chart** each year.
- Project wRVU productivity for each MD for the upcoming FY and follow the TTP chart to determine salary (15 percentiles below that productivity) using rank and years in rank
- Multiply by 80% to get fixed salary
- Accrue 20% as variable (pd month 6 & 12)
- Budget Chair's Pool above and beyond TTP
- Budget any additional pay above and beyond TTP
- 6 month adjustments if needed

## FY 24 TTP Chart for Neurosurgeons

### Benchmark Salary & wRVUs Survey = NERVES

NERVES stands for *Neurosurgery Executives Resource, Value & Education Society's* and their published survey data is called the *NERVES Socio-Economic Annual Survey*.

| FY 24 Total Target Pay for Neurosurgeons |        |            |                     |                    |                     |                     |                     |                     |
|------------------------------------------|--------|------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| wRVU %tile                               | wRVUs  | Comp %tile | Assistant Professor |                    | Associate Professor |                     | Professor           |                     |
|                                          |        |            | ≤ 3 years<br>82.0%  | > 3 years<br>83.0% | ≤ 3 years<br>99.0%  | > 3 years<br>100.0% | ≤ 3 years<br>102.0% | > 3 years<br>103.0% |
| 20                                       | 6,102  | 5          | \$ 440,017          | \$ 445,383         | \$ 531,240          | \$ 536,606          | \$ 547,338          | \$ 552,705          |
| 25                                       | 6,705  | 10         | 465,690             | 471,369            | 562,236             | 567,915             | 579,273             | 584,952             |
| 30                                       | 7,308  | 15         | 491,363             | 497,355            | 593,231             | 599,223             | 611,208             | 617,200             |
| 35                                       | 7,911  | 20         | 517,036             | 523,341            | 624,227             | 630,532             | 643,143             | 649,448             |
| 40                                       | 8,514  | 25         | 542,709             | 549,328            | 655,222             | 661,840             | 675,077             | 681,696             |
| 45                                       | 9,118  | 30         | 568,382             | 575,314            | 686,217             | 693,149             | 707,012             | 713,943             |
| 50                                       | 9,721  | 35         | 594,055             | 601,300            | 717,213             | 724,458             | 738,947             | 746,191             |
| 55                                       | 10,391 | 40         | 619,728             | 627,286            | 748,208             | 755,766             | 770,881             | 778,439             |
| 60                                       | 11,060 | 45         | 645,401             | 653,272            | 779,204             | 787,075             | 802,816             | 810,687             |
| 65                                       | 11,730 | 50         | 671,074             | 679,258            | 810,199             | 818,383             | 834,751             | 842,935             |
| 70                                       | 12,399 | 55         | 696,258             | 704,749            | 840,605             | 849,096             | 866,077             | 874,568             |
| 75                                       | 13,069 | 60         | 721,443             | 730,241            | 871,010             | 879,808             | 897,404             | 906,202             |
| 80                                       | 14,312 | 65         | 746,627             | 755,732            | 901,415             | 910,520             | 928,731             | 937,836             |
| 85                                       | 15,554 | 70         | 771,811             | 781,223            | 931,820             | 941,233             | 960,057             | 969,470             |
| 90                                       | 16,796 | 75         | 796,995             | 806,715            | 962,226             | 971,945             | 991,384             | 1,001,104           |
| 95                                       | 18,039 | 80         | 853,318             | 863,725            | 1,030,226           | 1,040,632           | 1,061,445           | 1,071,851           |
| 100                                      | 19,281 | 85         | 909,642             | 920,735            | 1,098,226           | 1,109,319           | 1,131,505           | 1,142,599           |
| 105                                      | 20,524 | 90         | 965,965             | 977,745            | 1,166,226           | 1,178,006           | 1,201,566           | 1,213,346           |

Reminder that there are opportunities for pay above and beyond TTP

## NERVES Socio-Economic Survey

2023 Report  
Based on 2022 Data



ksm  
CPAs & Advisors

### SOURCE of Data: Specific Reports used from NERVES annual survey as follows:

| Subspecialty                   | Benchmark Survey | Salary Table Title                                                                                              | wRVU Table Title | 3 Survey Years | Page # of Table                                                                                                                                                                                                              |
|--------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------|------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Neurological Surgery (General) | NERVES           | Academic Neurosurgeon - overall                                                                                 | same             | 2020,2021,2022 | pg 72 (2022); pg72 (2021); pg 53 (2020)                                                                                                                                                                                      |
| Spine                          | NERVES           | Academic Spine Neurosurgeon, with >75% of practice dedicated to spine, median                                   | same             | 2020,2021,2022 | Special report run for UAB Neurosurgery by KSM CPA & Advisors because Academic data exists but was not published that year. Contact: Emily Penn, Manager <a href="mailto:epenn@ksmcpa.com">epenn@ksmcpa.com</a> 317-452-1132 |
| Vascular/ Endovascular         | NERVES           | Academic Endovascular / Vascular Neurosurgeon, with >75% of practice dedicated to vascular/endovascular, median | same             | 2020,2021,2022 | Special report run for UAB Neurosurgery by KSM CPA & Advisors because Academic data exists but was not published that year. Contact: Emily Penn, Manager <a href="mailto:epenn@ksmcpa.com">epenn@ksmcpa.com</a> 317-452-1132 |

SOURCE of Data: Specific Reports used from AAARAD annual survey as follows:

| Subspecialty                  | Benchmark Survey | Report Name in Excel                      | Salary Tab Title        | wRVU Tab Title | 3 Survey Years                                                                                                                                                                                                                                                    |
|-------------------------------|------------------|-------------------------------------------|-------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interventional Neuroradiology | AAARAD           | AAARAD Compensation Productivity Averages | Description Combination | Same           | <p><i>Clinical Faculty Salary &amp; Productivity Survey Results 2020-2021, 2021-2022 &amp; 2022-2023</i></p> <p><i>Scott Jennings, Radiology EA provides Ryan Schultz the survey results for ALL Radiology specialties exported from the AAARAD database.</i></p> |



SOURCE of Data: Specific Reports from AAMC for Salary & Vizient for wRVUs as follows:

| Subspecialty | Benchmark Survey                                             | Salary Table Title                             | wRVU Table Title                                       | 3 Survey Years                                                                                                                                                                                                                                                                                                                                             |
|--------------|--------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Neurology    | <p>AAMC for Salary</p> <p>&amp;</p> <p>Vizient for wRVUs</p> | AAMC Clinical Science MD All Schools, Table 11 | Vizient-AAMC CPSC Academic Work & Total RVU Benchmarks | <p><u>AAMC Salary:</u><br/>                     2021: (2019 – 2020)<br/>                     2022: (2020 – 2021)<br/>                     2023: (2021 – 2022)</p> <p><u>Vizient wRVUs:</u><br/>                     2021 (Jan 2021 – Dec 2021)<br/>                     2022 (Jan 2022 – Dec 2022)<br/>                     2023 (Jan 2023 – Dec 2023)</p> |



# Calculations from NERVES survey data to create the FY 24 TTP Chart for Neurosurgeons

1. Find 3 Year Averages for salary and wRVUs for each subspecialty: General neurosurgery, spine, vascular/endovascular.
  - i. Using the 3 most recent years' NERVES surveys, and the specific report titles described in the table above for each subspecialty, calculate the 3-year average **salary** and 3-year average **wRVU productivity** for each of the 3 subspecialties at the 25th, 50th, 75th, and 90th percentiles.
  - ii. NERVES does NOT report by academic rank for all the academic subspecialties.
  - iii. NOTE: If a report listed in the table above is not published in a particular year's NERVES survey, request the individual report(s) from CPA firm KSM, the 3rd party that publishes the NERVES survey.
2. Average the 3 Subspecialties into 1.
  - i. Calculate a “singular 3-year **salary** average” and a “singular 3-year **wRVU** average” of the 3 subspecialties at the 25-50-75-90 percentiles.

# Calculations from NERVES survey data to create the FY 24 TTP Chart for Neurosurgeons

3. Add to TTP Chart as Associate Professor > 3 years in rank.

i. The “singular 3-year salary average” and “singular 3-year wRVU average” are now set as the TTP Chart Salary and TTP Chart wRVUs for an Associate Professor in the rank for > 3 years at the 25-50-75-90 percentiles.

4. Offset salary by 15 percentiles vs. wRVUs.

i. Offset the salary 15 benchmark percentiles lower than targeted wRVU productivity. For example, targeting compensation at the 50th percentile benchmark requires targeting wRVU performance at the 65th percentile benchmark.



# Calculations from NERVES survey data to create the FY 24 TTP Chart for Neurosurgeons (cont'd)

5. Expand **salary** into 5 percentile increments for Associate Professor > 3 years in rank.

i. Expand the “singular 3-year salary average” data points at 25-50-75-90 percentiles into 5 percentile increments from 5-90 percentiles as follows:

1. Use the rate of increase between known data points 25-50 percentiles (rate #1) for each 5 percentiles increments between 5-50 percentiles.

2. Use the rate of increase between known data points 50-75 percentiles (rate #2) for each 5 percentiles increments between 50-75 percentiles.

3. Use the rate of increase between known data points 75-90 percentiles (rate #3) for each 5 percentiles increments between 75-90 percentiles.

# Calculations from NERVES survey data to create the FY 24 TTP Chart for Neurosurgeons (cont'd)

6. Expand [wRVUs](#) into 5 percentile increments for Associate Professor > 3 years in rank.
  - i. Expand the “singular 3-year wRVU average” data points at 25-50-75-90 percentiles into 5 percentile increments from 20-105 percentiles as follows:
    1. Use the rate of increase between known data points 25-50 percentiles (rate #1) for each 5 percentiles increments between 20-50 percentiles.
    2. Use the rate of increase between known data points 50-75 percentiles (rate #2) for each 5 percentiles increments between 50-75 percentiles.
    3. Use the rate of increase between known data points 75-90 percentiles (rate #3) for each 5 percentiles increments between 75-105 percentiles.
  - ii. The “TTP chart” salary and wRVUs in 5 percentile increments for an [Associate Professor in rank more than 3 years](#) is now set.

# Calculations from NERVES survey data to create the FY 24 TTP Chart for Neurosurgeons (cont'd)

## 7. Expand to other Ranks.

i. To expand the TTP Chart into the other ranks, since NERVES does not report by ranks, we used the AAMC Survey, *2021-2022 AAMC Clinical Science MD, All Schools, formerly Table 11* to determine rates of change between Assistant Professor to Associate Professor; and between Associate Professor to Professor at median. We used those rates of change to approximate our departmental “rank modifier percentages” on the TTP Chart.

## 8. Bifurcate the Ranks.

Our Department Comp Committee (“DCC”) expanded this concept further by bifurcating academic ranks into a) < 3 yrs. and b) > 3 yrs., to give credit for time in rank, getting faculty closer to the next rank’s salary over time. This continues the tradition our department previously followed. We adjusted the “rank modifier percentages” on the TTP Chart slightly downward for time in ranks < 3 yrs. to create the rank bifurcation.

# Calculations from NERVES survey data to create the FY 24 TTP Chart for Neurosurgeons (cont'd)

## 9. Decrease the Rank Modifiers to increase Chair Discretion Pool.

Our DCC then adjusted all rank modifiers downward another 1% to create the final “rank modifier percentages” shown on the TTP Chart above. This adjustment was made to increase the funds available in the Chair’s Discretion Pool.

## 10. Annual Updates

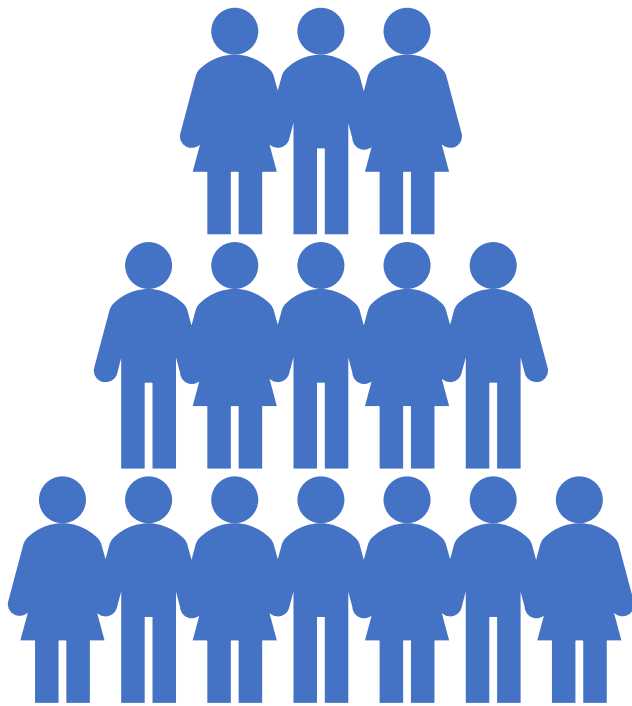
i. Rank Modifier calculations (steps 7-9 above) will not need to be updated each year. The rank modifiers were based on AAMC’s % changes among ranks, which are generally consistent from year to year, therefore there is no need to update every year. It is sufficient to review every 5 years.

ii. Salary and wRVU calculation (items 1-6 above) will need to be recalculated each year. An Excel template has been built to do the above calculations once the most recent 3 years of data from the NERVES surveys is entered. Files is located at:xxx

Variable  
Compensation  
Components  
*up to 20% of  
Targeted Total  
Clinical  
Compensation*

Faculty must meet **baseline** expectations to be eligible for variable pay

- Comply with annual CME requirements
- Attend at least 66% of faculty meeting which are 1-2 x per month
- Attend 100% of semi-annual faculty business meetings, unless prior waiver from the Chair is granted due to a conflict that cannot be adjusted



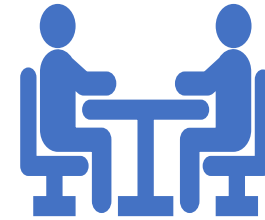
# Variable Compensation Philosophy

- Each individual MD brings something unique to the team of MDs and the Department.
- All unique talents and contributions are necessary to create the sum total of the UAB Department of Neurosurgery.
- Therefore, Variable Pay metrics are to be considered on an individualized basis when looking at each domain.
- Each domain and subcategories include specific examples of work-related activities that will be reviewed.
- The examples are not all-inclusive, and the order in which they appear does not indicate their relative importance.
- These categories are meant to serve as a guide to the employment-related activities that are valued and considered by the Department when determining Variable Pay.

# Variable Payment Determination



The Variable Pay will be determined, in the *sole discretion of the Department Chair*, based on each individual Clinical MD's unique talents/contributions to the Department as a whole, and performance on some or all, of the metrics below.



In making the determination of percentage Variable Pay, the Chair may solicit/review input from the individual Clinical MD's self-evaluations, the Clinical MD's annual review with the Department Chair, various institutional reports and metrics, and from other sources, as necessary.

# Variable Compensation Components

*up to 20% of Targeted Total Clinical Compensation*



Clinical  
Metrics

- wRVU productivity against benchmarks, special procedures, quality/risk management, patient experience/Medallia, new patients, bumped clinics, APPs coordination

UAB  
Medicine-  
wide Metrics

- Strategic goals identified by UAB each year (finance, people & culture, clinical, research, academic)

Academic  
Research  
Metrics

- Award of grants, publications, award of national multi-center studies/trials, education contribution, service to national neurosurgery, innovation, etc.

Administrative  
Metrics

- Leadership roles, committee participation, professional development, timeliness of annual review, rank & tenure, citizenship, interpersonal conduct, mtg. attendance, compliance with regs, etc.



- Budgeted Pool to be used at Chair's discretion if available at Yr End
- Divert to Fixed or Variable Pay if worse than budget

# Chair's Discretion Pool

## Contributions to Departmental Efforts

Current year growth, sustainability, and goals of the department



- ✓ sharing cases with junior faculty during their ramp-up causing your own wRVUs to decrease from your historic numbers
- ✓ Routing patients to others with shorter wait times
- ✓ supporting APPs' work at the top of their license with APP independent clinics and consults

## Extraordinary

Outlier (in a good way)



- clinical productivity vs others
- research productivity vs others
- call duty vs others
- High # of variable pay factors



# Weekend & Holiday Rounding

34

- Department policy pays only weekend & holiday rounding.
- All other calls are included in TTP.
- \*\*UAB does not pay call to the departments\*\*
- ✓ General/cranial call
- ✓ Spine call
- ✓ Vascular call
- ✓ Endovascular call
- ✓ VA call
- ✓ Pediatric nsgy call
- ✓ Weekend Rounding & Holiday Rounding



## Director Stipends

1. Department Inpatient Value Officer (hospital funded)
2. Department Ambulatory Medical Dir. (hospital funded)
3. Department Residency Program Dir. (dept. funded)
4. Department Global Program Dir. (dept. funded)

**Other Types of Positions.** All other non-funded departmental director, associate director, assistant director, etc. positions are part of TTP and not separately paid. Note, however, that departmental leadership work will be considered when determining Variable Pay and/or Pool Pay.



## In-state “locums” Hospital Coverage – rarely used

- **Generally.** Per Department policy, all **in-state** locums services must be arranged through a contract between the Department and the in-state hospital requesting the service.
- **Amounts.** MD fees and Department fees from such in-state contracts are listed in the contract and must be paid directly to the Department. Of the net revenue due to the MD under the locums contract, the Department will pay, as follows:
  - 2/3 as Additional Pay above and beyond TTP to the MD;
  - retain 1/3 as Department revenue.
- **Other Locums (out of state):** See the Department’s Out of State Locums policy and External Activity reporting requirements. MDs may take reasonable personal/vacation time to do out of state locums work and retain all proceeds as personal. Refer to the Department policy.





## VA 8ths Assignments

**Generally.** MD with VA 8ths assignments may retain 2/3 of the value of VA 8ths pay as “Additional Pay” while the Department will retain 1/3 of the value.

**Amount.** VA 8ths pay is set by the VA.

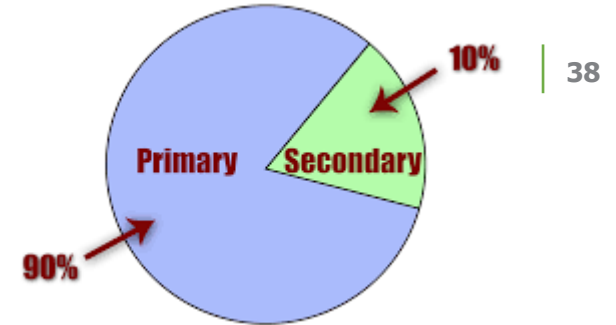
**Timing.** VA 8ths compensation is paid monthly, directly to the MD from the VA (skipping the Department).

**Mechanics.** To accomplish the equivalent of paying out 2/3 of the value as Additional Pay **above and beyond** TTP, while retaining 1/3 of the value as Department revenue (same as locums above), the mechanics are as follows.

1. After determining TTP for the upcoming FY, TTP will be reduced by 1/3 of the value of the VA 8ths compensation (excluding VA Pay for Performance bonuses) before calculating Fixed and Variable pay.
2. To reduce TTP, the Department will adjust UAHSF pay downward in the amount of 1/3 of the value of the VA 8ths.
3. The end result is that 2/3 of the value of the VA 8ths compensation (paid directly to the MD by the VA) is treated as Additional Pay above and beyond TTP, while 1/3 of the value of the VA 8ths compensation (despite being paid directly to the MD by the VA) is credited to the benefit of the Department **as if** the Department paid that amount to the MD toward TTP (80% fixed/20% Variable).

**Adjustments.** If VA 8ths Assignments change during the FY, a TTP adjustment will be calculated and UAHSF salary will be lowered (or increased if resigning VA 8ths) as soon as reasonably practical.

## Secondary Assignment Pay



38

**Generally.** MDs who are working a secondary assignment for another UAB Department at the Department's request will earn the secondary assignment funds as "Additional Pay".

**Amount.** The Department's Letter of Offer or subsequent Memorandum of Understanding "MOU" between the two Departments will describe the duties and funding. For example: an 0.10 FTE secondary assignment with the Department of [...] for duties described in the MOU between the 2 departments, will result in [...] funding, all of which will be Additional Pay.

**Timing.** Paid in equal installments over 12 months, or as described in the MOU, if some other schedule.

# Adjudication & Review Process

- Annual review by Dept/Comp Committee
- Implementation Concern from MD? Entitled to a review of their annual compensation.
- Structures of the plan including definitions, calculations, benchmarks, etc. = Executive Administrator for evaluation and recommendation to the Chair and/or DCC
- Other issues = to the Department Chair to determine an appropriate path for resolution
- Plan Modifications Process





## Eligibility/Exclusions

- **Inclusion**
  - $\geq 0.50$  Clinical MD (under Funds Flow)
  - Employed on date of payout
- **Exclusions**
  - Division of Peds Nsgy (cash collections, not Funds Flow)
  - During Guaranteed Salary Period (3 yrs)
  - Chair of dept
  - Faculty under a PSA with salary set by another hospital



A dark, atmospheric photograph of a forest path. The path is illuminated by a bright green light source, creating a strong contrast with the surrounding dark trees and foliage. The text "the end." is centered in the image in a white, sans-serif font.

**the end.**